



MAKING WOOD MATTER

ANNUAL REPORT 2025



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Raute's reports 2025

> [Annual Report 2025](#)
 This report describes Raute's operating environment, strategy, solutions and corporate responsibility in 2025.

> [Financial Statements 2025](#)
 This statement includes Raute's Financial Statements for 2025, including a separate Sustainability Statement, as well as information about Raute's share and shareholders.

> [Corporate Governance Statement 2025](#)
 This statement describes Raute's corporate governance and the internal control and risk management related to financial reporting, and the practices concerning insider management and auditing.

> [Remuneration Report 2025](#)
 This report illustrates Raute's remuneration principles and the remuneration paid to Raute's Board of Directors and President and CEO in 2025.

Raute in brief

The built environments of the future increasingly rely on durable, renewable and efficiently produced materials. There is growing global demand for more sustainable construction solutions, driven by the need to improve resource efficiency and reduce lifecycle impacts. Sustainably produced engineered wood products play an important role in meeting this demand.

Raute creates value by supplying advanced technologies, digital solutions and services for the profitable and resource-efficient production of engineered wood products.

With Raute's solutions, customers can achieve higher yield, consistent quality and optimized production performance across veneer, plywood and LVL manufacturing, supported by data-driven process optimization and services. Our offering supports customers throughout the engineered wood products value chain, from process design and technology integration to mill-wide optimization and lifecycle services.

Our purpose is to be the partner to future-proof the wood industry.

We help our customers achieve more with solutions built on experience, insight and a clear view of the big picture. We are the global market leader in veneer-based engineered wood production technologies and the only company in the world to provide solutions covering the entire

production process of veneer, plywood and LVL. Our three business units, Wood Processing, Analyzers and Services, work seamlessly together in providing innovative production solutions, powered by data and digital tools.

Curiosity for wood for over a century.

Raute was founded in 1908. Today, we are a listed family company serving customers worldwide. We have around 700 employees around the globe and our net sales were € 175.5 million in 2025.



RAUTE IN 2025

Key figures



175.5

Net sales
 EUR million

2024 | 204.6 MEUR



91

Order intake
 EUR million

2024 | 121 MEUR

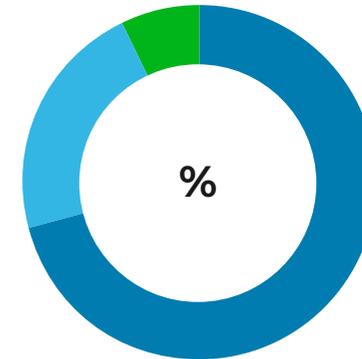


65.7

Equity ratio
 %, at the end of 2025

2024 | 55.2 %

Net sales by business unit



- Wood Processing 71
- Services 22
- Analyzers 7



26.1

Comparable
 EBITDA
 EUR million

2024 | 19.8 MEUR



98

Order book
 EUR million
 at the end of 2025

2024 | 184 MEUR



698

Employees
 at the end of 2025

2024 | 783

RAUTE IN 2025

Highlights of 2025



JANUARY

Lumin, Uruguay invests in Raute's latest panel repairing technology

Lumin in Uruguay decided to invest in Raute's Panel Repair Station R5, which includes advanced machine vision technology used to repair pine and eucalyptus plywood panels. The state-of-the-art equipment will allow Lumin to save on repair material and labor costs, increase capacity, and ensure consistent panel quality.

FEBRUARY

Share repurchase program initiated

Raute initiated a share repurchase program based on the authorization received from the Annual General Meeting of 2024. The purpose of the share repurchase program is to optimize Raute's capital structure through reduction of capital.

APRIL

Positive profit warning

Raute updated its guidance regarding profit after better-than-expected progress in project deliveries during the first quarter. The order backlog previously received by Raute has supported positive business development even in an exceptionally challenging market environment.

JUNE

Global manufacturing network streamlined by closing the production facility in Changzhou

Raute's strategic objective is strengthening operational efficiency and securing its competitiveness in a changing market environment. In line with this objective, Raute decided to close its production unit in Changzhou, China, as part of a broader restructuring of its global manufacturing network. The decision was driven by weak market demand in China, which results in profitability challenges at the unit, as well as Raute's plan to concentrate production resources more cost-effectively and increase flexibility in manufacturing.

SEPTEMBER

LVL Global, Canada invests in Raute's latest LVL technology

LVL Global ordered a new LVL Lay-up Line R7 for its Ville Marie mill in Quebec, Canada.

The new delivery continues a partnership of more than 30 years. Over the years, Raute has supplied the site with several key technologies, including peeling, composing, drying, and LVL production lines. With advanced feeding, Veneer Visual and Moisture Analyzer R7, as well as an R7-level curtain coater, the new line will improve production capacity, lay-up quality, and efficiency at the mill.

OCTOBER

Update of guidance for 2025

Raute updated its guidance regarding revenue and comparable EBITDA. While Raute's project deliveries have continued successfully, a larger part of the order backlog is expected to be recognized as net sales in 2026. At the same time, Raute's strong continued operational execution enabled the upward revision of the lower bound of the comparable EBITDA guidance.

CEO'S REVIEW

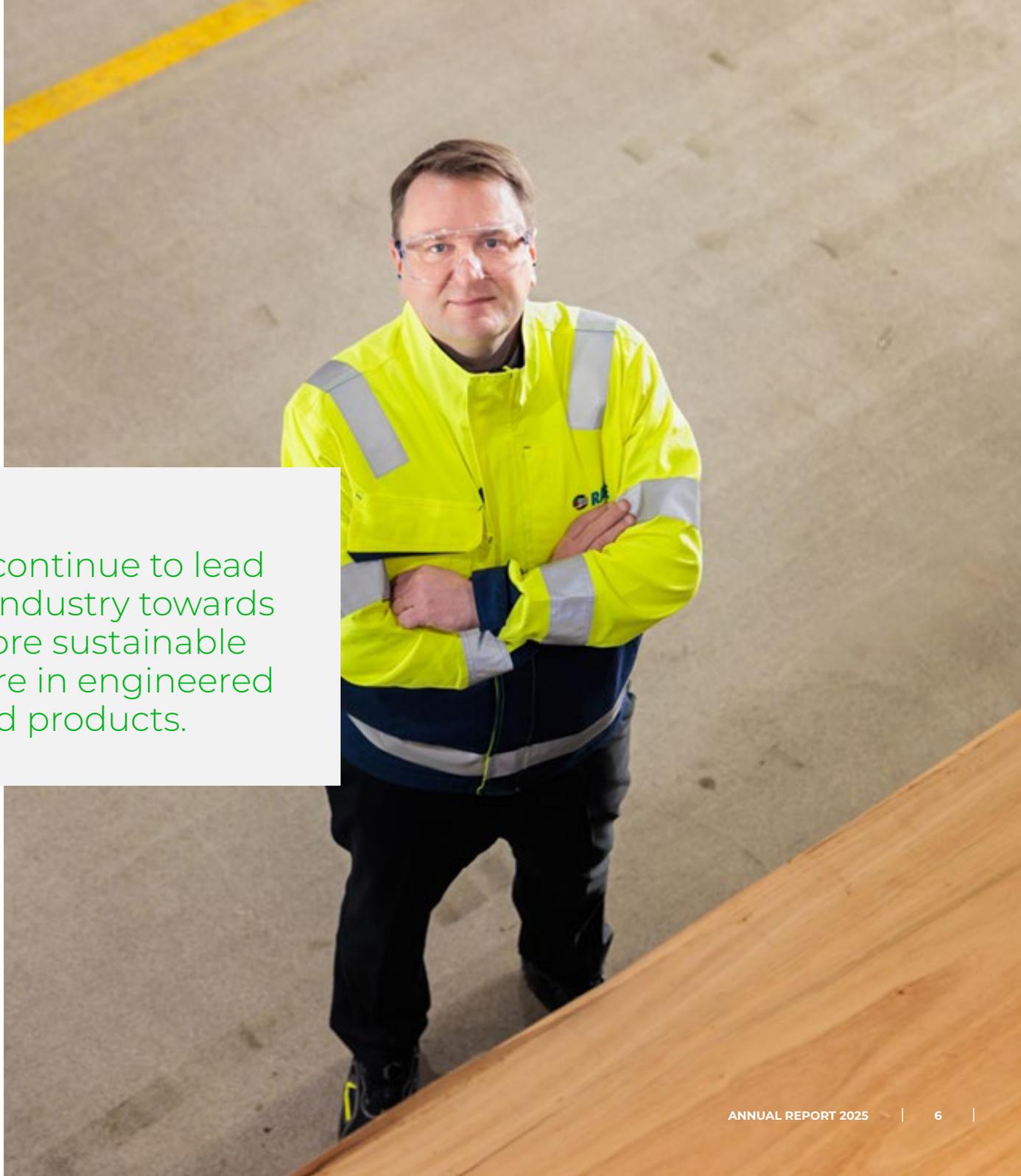
Strong operational execution in a challenging market environment

In 2025, Raute continued strong operational execution, driven by efficiency improvements, supply chain optimizations and focus on safety. Thanks to the daily efforts of our committed team, disciplined project delivery and continuous improvements in our ways of working, we achieved a strong financial result despite the decrease in net sales. This performance demonstrates the steady progress we are making towards our strategic goals.

At the same time, the market remained challenging, which was reflected in the low order intake especially during the first half of the year. The operating environment continues to be characterized by global economic and geopolitical uncertainty, affecting the demand of our customers' products and consequently their investment decisions. Despite the uncertainty, customers are gradually preparing for the market to become more active and are progressing their investment plans aimed at improving process efficiency and increasing capacity.



We continue to lead the industry towards a more sustainable future in engineered wood products.



CEO'S REVIEW

Sharpened strategic priorities

During the year, we reviewed our existing strategy and set clarified priorities for the remainder of the strategy period, extending to the end of 2028. While the overall strategy and its Raute-level themes remain valid, our business units' priorities were sharpened to further emphasize profitability and reduction of volatility. New priorities include growing the modernization business, new performance and subscription-based business models, capturing opportunities provided by artificial intelligence and expanding our local presence and capabilities in Services. These strategic adjustments enable us to support our customers more comprehensively and provide the foundation for growth in both existing and new markets.

In addition, we sharpened our geographical priorities, placing greater emphasis on markets with demand and growth potential for our most sophisticated high-tech solutions. In line with this objective, Raute decided to close its production unit in Changzhou, China, which focused on the lower price point R3-Series product category. While the R3-Series remains as an integral part of Raute's product portfolio, we will continue to position our products and offering towards more comprehensive solutions. This enables us to fully utilize our competitive advantages, our understanding of the production process and our capability of delivering mill-sized projects.

Solid financial position enables capturing future opportunities

Even though the market has been challenging, we have succeeded in strengthening our financial position, enabling the execution of our strategy, required future investments as well as the assessment of potential M&A opportunities to accelerate growth. As the market eventually improves, we see significant opportunities in digital services, increased utilization of artificial intelligence, new engineered wood product categories and modernizations of existing production lines. We are well prepared and strongly positioned to capture these opportunities as the market continues to recover.

Entering 2026, we believe the market has already passed its lowest point, although volatility is likely to persist. While our financial performance in 2025 was strong, especially given the exceptional delivery of Wood Processing, we aim to further increase the role of Analyzers and Services in order to reduce volatility in our own operations and financial performance. Across business units, we want to remain flexible and customer driven, offering multiple ways to engage with Raute – whether through traditional equipment deliveries or through new, performance and subscription-based solutions.

Safety and sustainability are at the core of our operations

We continued sustained process development across several areas in 2025. Safety remains our number one priority and the foundation for operational excellence and financial performance. Our systematic work to strengthen Raute's safety culture continued both in our own operations and in the solutions delivered to customers, driven by increased automation and the removal of manual work steps where possible. Internally, we introduced new Golden Safety Rules across the organization, forming the principles that each Rautean follows in their work each day.

Driving ESG agenda in our industry is at the core of our strategy, enabling Raute's competitiveness and value creation. The most important contribution we make is improving resource efficiency in our customers' processes.

Our newest analyzer solutions, supported by advanced analytics and AI, significantly improve raw material efficiency, recovery and circularity. New performance-based and digital service models can further strengthen this impact in the future. Through our continuously developing solutions and offering, we continue to lead the industry towards a more sustainable future in engineered wood products.



Mika Saariaho
 President and CEO

OPERATING ENVIRONMENT

Global uncertainty continued to affect Raute's operating environment

In 2025, Raute's operating environment remained challenging, characterized by global economic and geopolitical uncertainty affecting customers' investment decisions. The primary source of uncertainty has been the political actions of the United States, creating overall turbulence and concern regarding tariffs, especially for companies exporting goods to the country. In Europe, the war in Ukraine, as well as the continued downturn of construction, have affected demand for end products. As a result of these factors, Raute's customers have postponed and in some cases canceled their investment decisions, which was reflected in the order intake especially during the first half of the year.

Competition has also intensified, with technology suppliers demonstrating increasingly aggressive pricing. Raute sees its competitive advantage in its global reach and capability to deliver integrated production lines and even mill-level projects, while many competitors remain specialized in individual process stages and operate more locally. In addition, Raute benefits from the growing role of its Services business, which remained stable during the year. While the demand for large investment projects has been weak,

customers' mills operate with continued need for spare parts and maintenance. Furthermore, modernization projects have been more active than investments in new mills or production lines, while they remain smaller in scope.

Engineered wood products are used primarily in construction, with the furniture and transportation industries also playing a large role. Consequently, the development of these industries is key to recovering end product demand and market activity. The reactivation of housing and mortgage markets as well as the potential reconstruction efforts in Ukraine would be the primary catalysts to reviving the construction industry and demand for engineered wood products.

While the market environment remains challenging for the time being, Raute's long-term prospects are supported by strong market trends. On the technical side, the automation levels of production lines are continuing to increase, driven by technological developments, shortages in manual labor and the increased economic feasibility of automation solutions. The need for advanced analyzers incorporating sensing and machine vision, as well as for digital solutions that

leverage the generated data is increasing, while the industry is actively exploring the role of artificial intelligence in production processes. On the sustainability side, the requirements of customers are consistently tightening. Sustainability is central to the wood processing value chain, reflected in expectations for responsible wood sourcing and use, as well as efforts to reduce industry emissions. In addition, new ESG regulation, sustainability data reporting requirements, as well as the EU deforestation and machinery regulations influence customer requirements, supplier selection and technical machine specifications. Raute is monitoring these developments continuously, as they create significant operational and commercial opportunities.

While it is still difficult to estimate the timing and extent of the overall market recovery, Raute expects market demand to improve going into 2026. Despite the uncertainty, some of Raute's European and North American customers are preparing for the market to become more active and are actively promoting their investment plans for process efficiency and additional capacity. Over the long term, technological advancements and sustainability requirements are creating new

opportunities for investments. Raute's position is strengthened by its broad product portfolio, ability to respond to sustainability demands, and technological leadership in digitalization and data analytics. Further, Raute's capability to offer a wide range of supplementary services throughout the product life cycle is an enabler for additional business opportunities.



OPERATING ENVIRONMENT

The demand development of end products steers the demand for Raute's products and solutions globally. In addition to economic cycles, market demand is affected by customers' long-term planning prospects and requirements related to sustainability and resource efficiency.

In addition to the plywood and LVL technology markets, Raute has a strategic goal to grow in other engineered wood product areas, which will significantly increase market potential in the coming years.

50

EUR billion*

Global end-user market for **plywood** and **LVL products**

400

EUR million*

Relevant Plywood and LVL machine market for Raute's **Wood Processing** business

Several hundred million euros*

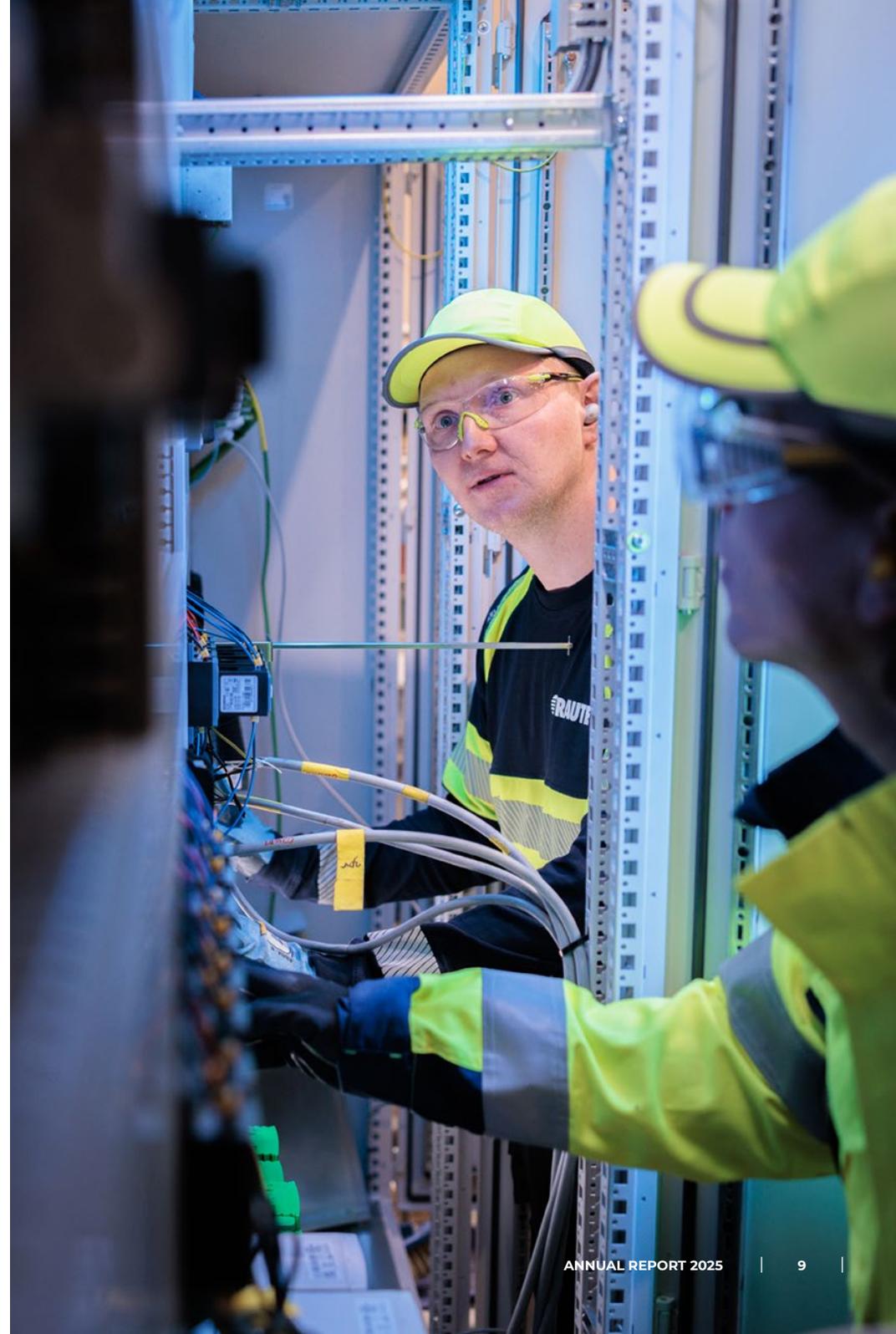
Relevant market potential for Raute's **Services** business

60

EUR million*

Relevant market potential for Raute's **Analyzers** business

* Raute's management estimates of annual market sizes. The market size varies a lot from year-to-year depending on timing of investments.

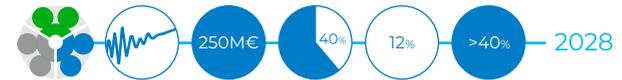


MAKING WOOD MATTER



We are the partner to future-proof the wood industry.
 With our unique solutions, we drive change
 and promote resource-efficient society.

SHOW THE WAY – DRIVE CHANGE



RAUTE'S STRATEGY

Strategy 2028

Raute is the partner to future-proof the wood industry

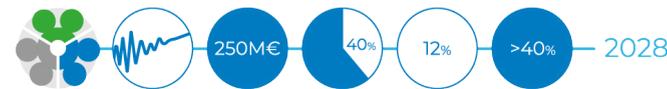
Sustainability is an integral part of Raute and its strategy

Our commitment is to lead the industry towards a more sustainable future in engineered wood products. Backed by over a century of engineering excellence in the engineered wood products industry, we deliver technology and lifecycle services that transform raw materials into high-value-added products with unmatched efficiency and proven reliability: improved resource efficiency, yield, and production performance. Together with our customers, we are shaping a more resource-efficient society.



Strategic themes:

- 1) Drive ESG agenda in our industry**
 Core of our strategy enabling competitiveness and value creation.
- 2) Increase profitability and decrease volatility**
 Priority focus area to ensure financially sustainable performance over market cycles, building a basis for growth in current and new markets.
- 3) Exceed market growth and expand offering**
 Gradual renewal of our business portfolio for long-term growth story – we have opportunities to grow while capturing higher profitability and lower volatility.



During 2025, we reviewed our strategy and set clarified priorities for 2025–2028

Sharpen our growth focus
 Sharpen geographical focus and expand in selected EWP segments with attractive long-term demand fundamentals.

Shift towards recurring and lifecycle business
 Accelerate modernization, subscription and As-a-Service models to improve resilience, profitability and earnings quality.

Strengthen competitiveness
 Enhance cost efficiency, commercial excellence and ESG performance to support sustainable value creation.

Leverage scale and capital allocation
 Drive synergies across business units and pursue disciplined, value-accretive M&A.

RAUTE'S STRATEGY

Progress towards strategic goals

Strategic goals 2028

Key actions in 2025

Net sales € 250 million, including organic growth and M&As

- Net sales decreased to € 175.5 million in 2025
- Raute continued project deliveries successfully in 2025, but a large part of the order backlog is expected to be recognized as net sales in 2026
- New order intake was at a low level especially during the first half of 2025, activity picked up during the second half
- Strengthened capabilities and focus in North America and Japan

Services and Analyzers relative share of net sales 40% of the Group

- Services and Analyzers' share of net sales increased to 29% in 2025, which is still below the target level
- Strategic priority to grow the modernization and subscription business in Analyzers, providing increased recurring revenue streams
- Strategic priority to develop and grow the PaaS (Production as a Service) concept in Services, as well as expand local presence globally
- In Services, the demand for line upgrades and performance improvement projects was low as customers were hesitant due to the weak market environment

12% comparable EBITDA margin

- 14.9% comparable EBITDA margin in 2025
- Strong operational execution throughout the year enabled the improvement in EBITDA despite lower net sales
- Focus on continuous operational and commercial excellence development, process improvements and project management across business units

Equity ratio over 40%

- Equity ratio 65.7% on December 31, 2025
- Raute initiated a share repurchase program based on the authorization received from the Annual General Meeting of 2024, with the purpose of optimizing Raute's capital structure
- A strong balance sheet enables the execution of Raute's strategy and the continuous evaluation of suitable M&A opportunities

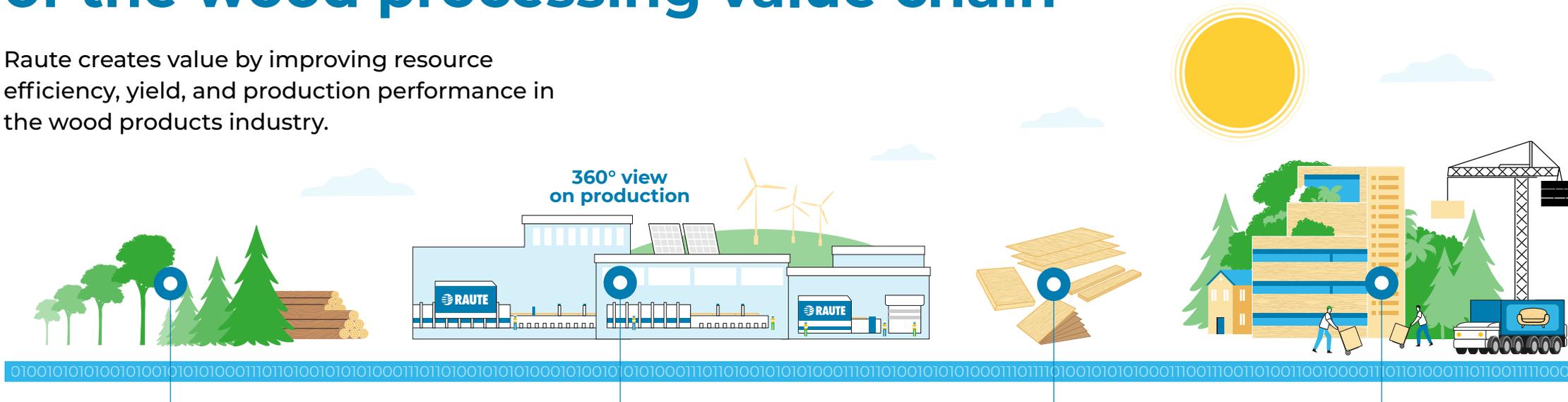
Drive ESG agenda in our industry

- New Golden Safety Rules introduced across the organization
- New circularity targets and KPIs approved
- New Supplier Code of Conduct policy adopted
- Climate transition plan initiated, with a focus on improving Scope 3 calculation methodology and data quality, as well as planning actions for Scope 1 and 2
- First full LCA (life-cycle assessment) calculation for the R7 peeling line
- Training provided for targeted groups in relation to Code of Conduct, anti-corruption, and energy and material efficiency
- Safety, environmental, respect in the workplace and anti-corruption policies implemented
- Annual ESG risk survey for suppliers completed

RAUTE'S STRATEGY

Sustainability strongly shapes the development of the wood processing value chain

Raute creates value by improving resource efficiency, yield, and production performance in the wood products industry.



Responsible Forestry and Supply

Choosing wood from responsibly managed commercial forests helps prevent deforestation and promotes biodiversity. At the same time, these forests contribute to maintaining local ecosystem stability and productivity. Sustainable forestry practices ensure that forests continue to act as effective carbon sinks by maintaining a balance between harvesting and forest growth, thus also securing carbon sequestration in engineered wood products (EWPs). The entire value chain must be able to provide transparent and traceable data on the journey from forest to the final wood product. Transparency regarding the origin of wood builds trust among end customers of EWPs when considering investments in low carbon materials and green building practices.

Resource-efficient Production and Operations

Raute is the partner to future-proof the wood industry in driving resource efficient production. We combine Wood Processing, Analyzers and Services into innovative production solutions, powered by data and digital tools. This enables profitable manufacturing of wood products by optimizing the use of wood, glue and energy. We can also perform tailored upgrades and modernizations to maximize resource efficiency and to extend the service life of existing machines by repairing or replacing worn-out or obsolete components and modules. We enable our customers circular economy journey through smart solutions that significantly save resources throughout the life span of the product by optimizing the production process.

Long-lasting Sustainable Wood products

Our customers manufacture long-lasting veneer, plywood, Laminated veneer lumber (LVL) and other EWPs that are mainly used in building construction, furniture-making, transportation and packaging. Wood is a natural and renewable raw material with a decades-long life cycle as part of high-quality EWPs. The carbon stored in wood is absent from the atmosphere during the entire lifetime of the wood product or building. EWPs have a lower carbon footprint when compared to traditional materials like concrete and steel. The use of different EWPs supports the shift towards less carbon intensive and more sustainable material use.

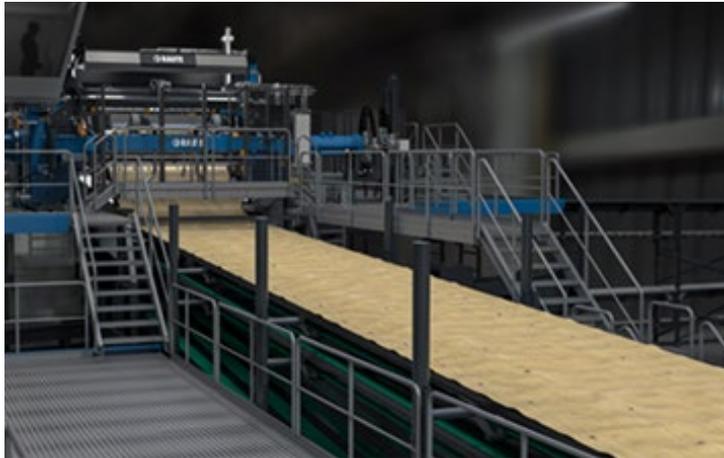
Resource-efficient Societies

The use of wood in construction creates value for society and supports the transition towards a responsible and low-carbon future. Wooden structures and components are gaining popularity as the construction industry increasingly focuses on low-carbon building practices. The extensive application possibilities of EWPs make them a desirable material for construction, in addition to being a renewable and low-carbon resource. Furthermore, sustainably manufactured EWPs contribute to achieving a resource-efficient society as a versatile building material that meets the needs of modern construction. As the demand for responsible building materials grows, Raute aims to be at the forefront of transformation and innovation in the wood industry, promoting a resource-efficient society.

RAUTE'S BUSINESS

Business units

Raute provides technology, analyzers and services to transform wood into modern engineered wood products – veneer, plywood and LVL (laminated veneer lumber) – that people can trust. We also actively leverage our capabilities in other new engineered wood product segments such as mass timber products and solid wood panels.



Wood Processing

Wood Processing is Raute's largest business unit. It develops and manages Raute's technology portfolio covering all key subprocesses of veneer, plywood and LVL production.

The business unit is responsible for engineering and design, projects, production, procurement and supply chain, automation, product management, technical sales support, and research and development. Project deliveries make up a large part of Raute's business, and in mill-scale projects, Raute is the global leader in both the plywood and LVL industries.



Analyzers

The Analyzers business unit focuses on making the most out of raw materials and minimizing overall side streams and use of energy. Analyzers' advanced data capturing is the key to productivity and the quality of production.

The business unit is focused on innovation and developing the most advanced measuring technology, and has wide variety of applications covering all needs for modern plywood and LVL production. Analyzers are suitable for all wood species using the modern AI defect detection model, supporting Raute's goal of expanding to new engineered wood products.



Services

Raute's Services business unit consists of three core offerings. MAINTAIN focuses on ensuring mill availability and reliability through on-site and remote services, inspections, preventive maintenance and the supply of OEM spare parts. IMPROVE aims to enhance production performance through upgrades, optimization and lifecycle services. Digital Services are centered on MIIISIGHTS and data-driven analytics that convert production data into actionable insights.

The business unit offers services for its customers worldwide, aiding them in making informed decisions to meet present and future requirements. The offering also includes training for the entire production process and various development services, such as data audits and business analyses.

RAUTE'S BUSINESS

Wood Processing

Focus on project delivery and operational excellence

In 2025, the Wood Processing business unit focused on the successful delivery of its strong order backlog and ongoing projects, with resource efficiency and smooth project execution as the key success factors. Despite a challenging market environment marked by postponed investments and a weak construction sector, the unit maintained a relatively stable workload through the orders received in late 2024 and in the second half of 2025.

Operational excellence initiatives progressed systematically throughout the year, with a strong emphasis on strengthening quality control, optimizing the supply chain, and further standardizing the product portfolio and project management practices. The implementation of a procurement category model enabled more strategic allocation of resources and improved scalability across projects. Procurement operations were reorganized to enhance cost efficiency and deepen supplier collaboration, with ESG criteria integrated into supplier screening and evaluation processes.

Profitability improvement remained a central priority. Adjustments to workforce allocation and the streamlining of engineering

processes helped stabilize overhead costs, while disciplined project execution supported the maintenance of a healthy profitability level throughout the year.

Highlights across several geographies

Wood Processing's key strategic themes for 2025–2028 include sharpening geographical priorities. One of the most important geographical focus areas is North America, where Raute continued to strengthen its presence, supported by the market's shift toward full veneer sheet production.

In Europe, notable achievements included the successful commissioning of the Thebault LVL mill, with the first billet pressed in Q4,

marking Raute's entry into Southern Europe's LVL segment. In addition, the Metsä Group Äänekoski LVL project transitioned to the start-up phase, with installations progressing ahead of schedule.

In Asia, Raute introduced selected R3-series technology solutions to the Japanese market, establishing a foundation for future expansion into higher-end (R7-series) product categories. In June, we announced the closing of our Changzhou, China production unit in line with our strategic objective to strengthen our operational efficiency and securing competitiveness in a changing market environment.

Progress in advancing the sustainability agenda

Sustainability continued to be integral to all activities. Raute's solutions enable smarter use of raw materials, long-term production performance and higher operational efficiency, providing a meaningful contribution to customers' sustainability objectives. Raute's machines are designed to improve energy performance in industrial wood-processing operations, and energy-efficient technologies were also prioritized in modernization projects during the year. ESG principles continued to guide procurement decisions, supporting responsible sourcing and long-term value creation.

Raute continues to maintain the world's largest installed base of plywood and LVL lines, supporting long-standing customer relationships and creating significant opportunities for modernization. The deployment of automation and digital solutions across new lines, combined with advanced R7-series technology, further reinforces Raute's innovation capabilities and technological leadership. Raute holds a unique global position as the leading provider of complete end-to-end production solutions for veneer, plywood, and LVL, covering the entire process from blocks to finished products.



403
 Number of
 personnel

2024 | 461



124.3
 Net sales
 EUR million

2024 | 147.2 MEUR



18.4
 Comparable
 EBITDA
 EUR million

2024 | 11.4 MEUR

RAUTE'S BUSINESS

Analyzers

A year characterized by challenging market environment and operational improvements

Analyzers' focus areas for 2025 centered on improving operational agility and delivery times, maintaining cost control and continued R&D investments to support future competitiveness. Even though the business unit's sales decreased by 15.3%, Analyzers was able to maintain reasonable profitability through efficient project deliveries, faster conversion of new orders into revenue, as well as operational improvement and adaptation.

In the market, the year was defined by persistent uncertainty, low order intakes and increased competition in certain geographical areas. Although the business unit has historically performed well even in downturns, the current environment has resulted in an extended quiet period of order intake, as customers have postponed their investment decisions. Demand was soft especially in North America, whereas Europe and Asia started to show signs of gradually increasing activity. In the uncertain market, Analyzers has been able to successfully introduce its solutions to several non-Raute production lines, showcasing the competitiveness of its products.

Focus on modernization and subscription business growth

Analyzers' two strategic themes for the next three years are to grow the modernization and subscription businesses.

While modernizations have been central for Raute and Analyzers for long, their importance has significantly increased as customers are prioritizing optimal value creation and efficiency of existing production lines, whether they are produced by Raute or another brand. Modernizations are especially relevant for the Analyzers business, as its solutions enable sustainability by making the most out of raw materials and minimizing the use of energy in engineered wood production. With seamless

cooperation across all business units, Raute is well positioned to capture new opportunities and grow the modernization business in the future.

Analyzers' solutions have typically been sold to the customer together with a software license. Raute's goal is to shift toward subscription models in sales to improve customer collaboration and lifecycle value, the predictability of the business and to provide an economically sensible alternative to customers. From the customers' perspective, the subscription model enables access to the most advanced analyzers in the market without significant upfront capital expenditure, delivering financial benefits from day one. New

subscription-based contracts will play a key part in increasing Raute's recurring revenue streams and decreasing volatility across economic cycles. The first subscription deals were completed in 2025, marking an important milestone in growing the business.

Building sustainable growth through research and development

Our investments in R&D support Raute's growth and the development of the modernization and subscription businesses through new, innovative technologies. In 2025, Analyzers' R&D focused on reinforcing the use of artificial intelligence in defect detection, simplifying platform design and strengthening the cybersecurity of our solutions. In addition, we prepared for the planned expansion into new engineered wood product segments and continued the development of moisture and density sensors.

Data is at the core of making wood matter. Through the determined development of its analyzers and digital solutions, Raute continues to generate more opportunities for the optimization of processes with data. This further reduces the environmental impact of wood production and supports our customers in reaching their sustainability targets.



76
 Number of
 personnel

2024 | 88



13.0
 Net sales
 EUR million

2024 | 15.3 MEUR



1.0
 Comparable
 EBITDA
 EUR million

2024 | 1.5 MEUR

RAUTE'S BUSINESS

Services

Stable progress despite market headwinds

The challenging market situation was reflected in the performance of the Services business unit in 2025, as net sales decreased from the previous year. However, the business unit was able to maintain a strong profitability, as comparable EBITDA increased to 17.5% of net sales. While demand for the basic business – spare parts and field services – remained stable thanks to most production lines running largely as planned, the uncertainty of the market affected customers' investment decisions regarding upgrades and performance improvements.

Geopolitical tensions and uncertainty regarding tariffs hindered demand and customers' operations especially in Asia, North America and LAM, whereas in EMEA the environment remained more stable. As market conditions will eventually recover, Services will benefit from overall activity increasing, creating opportunities for new outsourcing and performance-based contracts. Furthermore, Services benefits from its ability to work on lines of other makes and brands in addition to Raute's own solutions.

Focus on expanding local presence, new business models and digital services

Services' key strategic themes for the next three years are to drive continuous growth by expanding local service centers and to introduce new business models.

For the service business, local presence is essential to be able to efficiently and sustainably serve our customers around the globe and to understand country-specific differences. Accordingly, we have continued growing and expanding our local service centers, improving local spare part stocks and increasing our headcount and training efforts. At the end of 2025, we opened a new service center in Japan, which will play a key role in ensuring our commercial success and growth in the country.

We see an increasing need for new types of business models and contracts based on the value and outcomes of the services we provide. Through the development of the new performance-based offerings and Production as a Service (PaaS) concepts, we facilitate

closer collaboration with our customers, align our commercial interests and reduce the customers' initial investment need. These concepts and contracts are key to growing our recurring revenue streams, reducing the variation of Raute's net sales in the future. We also offer comprehensive service agreements that include full maintenance responsibility and proactive support to ensure optimized production, sustained performance, and reliability. While adoption of these new business models and comprehensive service agreements remains at an early stage, these initiatives mark a significant step toward expanding our service portfolio and creating long-term value for our customers

In addition to these strategic priorities, we have maintained efforts to grow our digital services

that focus on measuring customers' machinery and capturing production and process related data. Based on our digital services strategy, we are continuing to grow the capabilities of our MillsIGHTS data-platform, especially with the implementation of new AI features.

ESG plan in action

Services' ESG actions are aligned with Raute's company-wide sustainability priorities. During 2025, Services' ESG-related activities focused particularly on safety, people and supply chain practices, taking big leaps in taking safety to a local level through trainings and standardized safety targets across all service centers. Through our highlighted focus on safety, we aim to ensure the continued well-being of all service employees and Rauteans.

Our efforts to strengthen local service presence support responsible and efficient service delivery. By strengthening local spare part stocks and increasing our local headcount, we reduce the need for air freight and international travel. In addition, the Raute MillsIGHTS software provides comprehensive process and production data to support our customers' ESG goals. Overall, the services we provide, including digital solutions that increase efficiency, are key to promoting sustainable production across the industry.



126
 Number of
 personnel

2024 | 135



38.3
 Net sales
 EUR million

2024 | 42.1 MEUR



6.7
 Comparable
 EBITDA
 EUR million

2024 | 6.9 MEUR

CASE THEBAULT:

Launch of a high technology LVL mill in Auvergne

The THEBAULT Group is France's leading manufacturer of plywood panels, accounting for almost 50% of national production, and ranks among the top 5 European manufacturers.

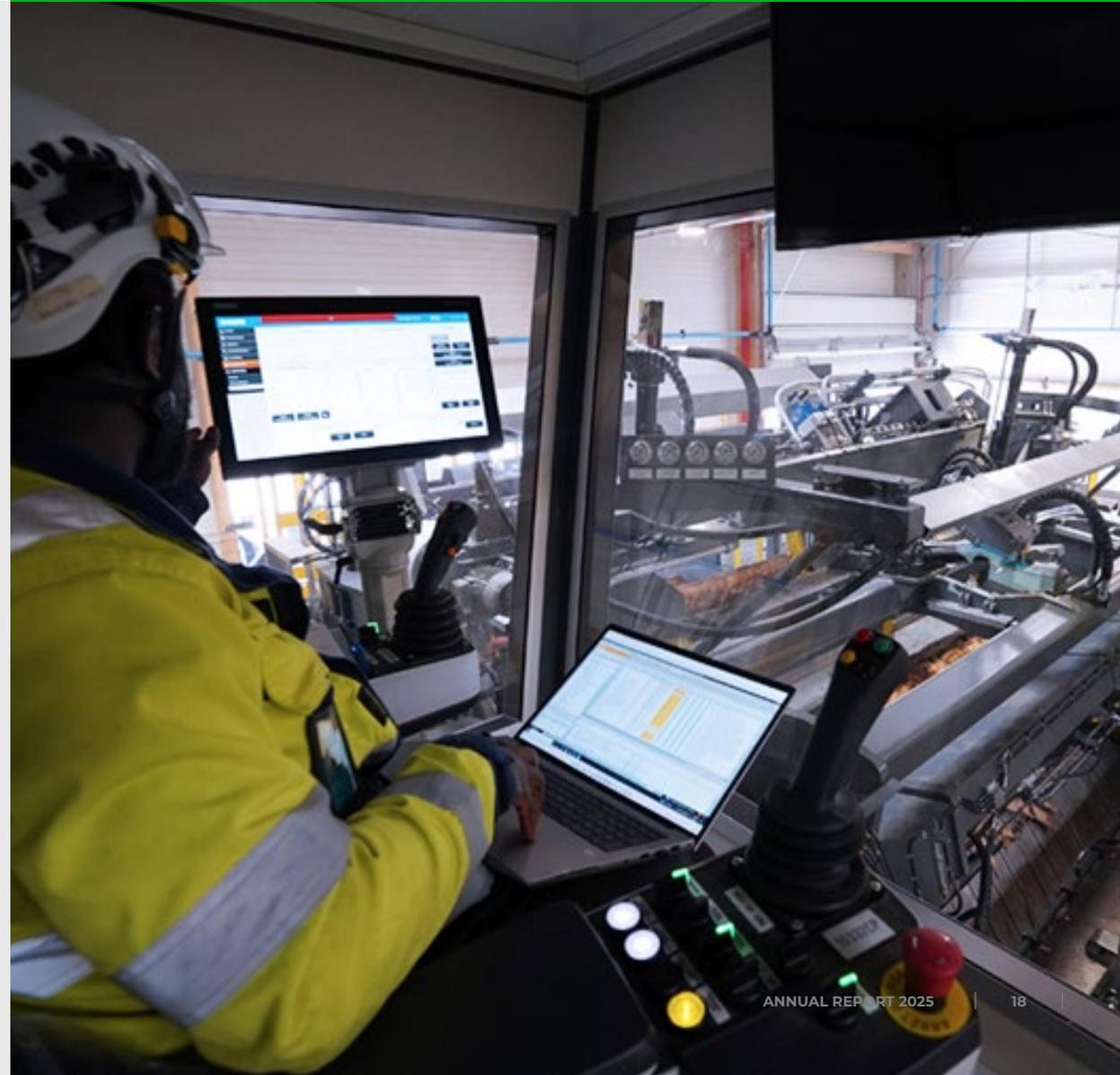
Raute signed a delivery agreement with THEBAULT in May 2023, and construction of the new Auvergne LVL mill's production lines began in [late 2024]. The installation and commissioning of this first ever LVL plant in France progressed efficiently, enabling the mill to produce its first LVL product in October 2025.

The mill was designed with two core objectives: optimizing production and maximizing the efficiency of raw material use. Raute's technology is at the heart of the mill's performance, where advanced peeling technology and modern analyzers ensure optimal veneer yield and material efficiency. The latest R7-Series automation solutions minimize operator requirements, improve line availability and ensure consistent process quality. Energy efficient veneer drying and dry veneer analyzers further ensure the strength and reliability of the final LVL products.

The collaboration with Raute is development-oriented and continuously challenges Raute to push equipment performance, generating valuable insights and improving line efficiency. Early-stage production with multiple product types has supported process fine tuning and the achievement of quality and yield targets. The mill is also designed for future expansion, enabling long term productivity growth. The rapid transition from construction to production underscores the efficiency of the project and strengthens Raute's position as a leading supplier of advanced, fully integrated LVL mill solutions.

"The THEBAULT project marks an important step in expanding LVL production into new markets and utilizing new wood species. Delivering France's first LVL mill demonstrates Raute's ability to introduce advanced engineered wood technology and support customers in building new production capabilities. The successful ramp-up confirms the strength of our integrated delivery model."

Jani Roivainen, Executive Vice President, Wood Processing, Raute



CASE METSÄ GROUP:

The Äänekoski LVL mill showcases Raute's latest technology

Metsä Wood is one of Europe's leading manufacturers of engineered wood products. The company's main products are Kerto® LVL, birch and spruce plywood and further processed sawn timber. Metsä Wood is a part of Metsä Group, a Finnish forest industry group that operates in international markets.

In November 2023, Raute received a EUR 93 million order from Metsä Wood for the technology delivery of a new Kerto® LVL mill in Äänekoski. The ongoing delivery of Raute's technology includes all main production processes from veneer peeling to LVL pressing. The lines are a complete solution compiled of the most modern automated R7-Series technologies and equipped with analyzers for grading and MillsIGHTS software for data capturing. The construction of the mill progresses in two phases, with the first phase production lines already in the ramp-up stage.

Raute's co-operation with Metsä Wood is a perfect example of a partnership to future-proof wood products by combining state-of-the-art wood processing technology, analyzers and services. The Äänekoski LVL mill represents the most advanced analyzer technologies in Raute's portfolio, and several solutions were developed specifically for the project. This provides two main benefits – first, the advanced analyzers enable a major leap in process automation compared to any previous veneer mill. The production process is designed not only to measure but also to autonomously detect process deviations and resolve issues with minimal human intervention. Second, analyzers promote the sustainability and material efficiency of the mill, maximizing the use of raw materials and delivering significant energy savings by optimizing the drying process.

The Äänekoski project has required Raute to continuously elevate its own capabilities and develop smarter self-diagnosing solutions, further strengthening the collaboration with the customer and between all of Raute's business units.

“The Äänekoski mill represents a new level of analyzer integration in LVL production. Real-time data and AI-supported analytics enhance automation and enable automated deviation monitoring, leading to faster decisions and more consistent quality. The project shows how advanced analyzers and real-time monitoring strengthen performance and material efficiency at scale.”

Markus Sirviö, Executive Vice President, Analyzers, Raute



Photo: Metsä Group

SUSTAINABILITY IN ACTION

Every solution is made to matter – driving performance today, securing tomorrow

We enable peak performance today while staying ready for the challenges of tomorrow, shaping a more resource-efficient society together with our customers and partners.

Sustainability is embedded in our strategy. Backed by over a century of engineering excellence in the wood products industry, we engineer and integrate advanced production solutions and services that transform raw

materials into highvalue-added products with unmatched efficiency and proven reliability:

- Higher yield
- Improved resource efficiency
- Smarter production

We design intelligent production solutions that enable smarter use of raw materials and longer-lasting equipment performance. Our efficient, durable, maintainable and upgradable solutions help extract more value from each unit of raw material, while reducing side streams and the use of energy and chemicals. We combine deep expertise in plywood and LVL manufacturing with advanced technology. This allows us to turn production insight into safer operations and higher efficiency, and to provide a meaningful contribution to our customers' sustainability objectives.

Our sustainability agenda sets ambitious ESG (Environmental, Social, and Governance) goals that drive shared value creation across the entire value chain. (Learn more)

We see ESG as a strategic opportunity and are committed to being a trusted partner and technology leader, supporting our customers in meeting sustainability requirements, improve resource efficiency and reduce emissions in their operations.



Supporting our customers' sustainable growth through technology and expertise.

- Sustainability is at the core of our strategy > [Read more](#)
- We report on sustainability in accordance with the European Sustainability Reporting Standards (ESRS) as part of our financial reporting > [Read more](#)

IMPROVED RESOURCE EFFICIENCY



HIGHER YIELD

SMARTER PRODUCTION

SUSTAINABILITY IN ACTION

Key sustainability highlights in 2025

Initiated climate transition plan development:

Initiated the development of Raute's climate transition plan by strengthening the emissions baseline especially for the Use of Sold products (Cat11), identifying required actions and associated costs, and defining the pathway toward short- and long-term emission reduction targets.



Improved Scope 3 emissions calculation accuracy and data quality:

Progressed the calculation of Scope 3 emissions by improving data quality across different Scope 3 categories. Particular attention was given to developing the calculation approach for Category 11 (use of sold products), which represents Raute's most significant Scope 3 emissions category.

Built product-level lifecycle emissions understanding:

Completed a full Life Cycle Assessment (LCA) for the R7-Series Peeling Line to map emissions across the product lifecycle.



Strengthened internal capabilities to support climate work:

Trained 60 engineers on emission reduction and circularity. Product line managers facilitated group work to identify energy- and emissions-intensive processes and potential mitigation actions, providing input to ongoing climate transition planning.

Set new circular economy targets and KPIs:

Established circular economy targets and KPIs to support data-driven improvements in material efficiency, energy use and production performance over time.



Strengthened safety leadership and dialogue:

Our top management actively led safety discussions throughout the year, supported by regular safety rounds in production facilities and attended leadership-level safety training and coaching.

Developed and implemented core safety standards and rules:

implemented Golden Safety Rules to establish consistent safety expectations across operations.



Collaborated on sustainable materials research:

Participated in a Natural Resources Institute Finland (Luke) project on bio-based adhesives, supporting the development of more sustainable material alternatives.

SUSTAINABILITY IN ACTION

Key sustainability highlights in 2025

Introduced our Supplier Code of Conduct:

The guideline defines our expectations and requirements for suppliers regarding ethical practices. Promoting sustainability is a collaborative effort, and these guidelines are a key tool that sets our minimum requirements.

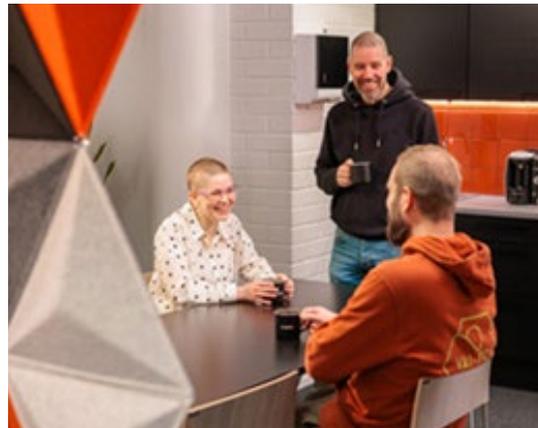


Enforced ethical culture through training and awareness:

Delivered Code of Conduct training via e-learning to all employees and provided targeted anti-corruption and ethics training to relevant employee groups to reinforce shared values, ethical behavior and expected standards of conduct.

Advanced performance and development dialogue across the organization:

Conducted performance and development discussions for salaried employees to identify skill gaps, create individual development plans, support professional growth and align individual objectives with Raute's strategic targets, supported by local practices for other employee groups.

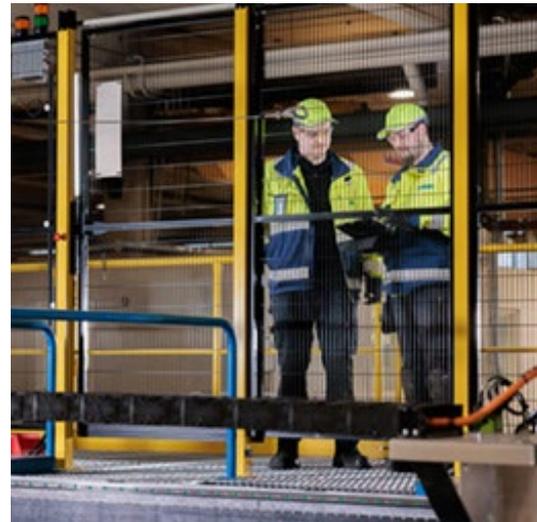


Strengthened customer and value chain ethics engagement:

We discussed Raute's Code of Conduct and ethical principles with value chain partners as part of our business relationships, reinforcing shared standards of responsible conduct

Used employee feedback to guide development actions:

Conducted People Pulse surveys and implemented over 100 development actions to support employee wellbeing, collaboration and a positive work environment



Continued integration of safety into policies, processes and design:

Progressed Safety Policy implementation and advanced the integration of safety-by-design principles into Raute's machinery, production solutions and product line concepts. Read more about the development of our safety metrics as part of our [financial reporting](#).

Advanced diversity, equity and inclusion practices:

Implemented a Respect in the Workplace policy, delivered voluntary DEI-related e-learning modules, shared inclusive leadership tools with managers, applied inclusive recruitment practices across regions, and rolled out the "Achieve Together Through Inclusion" campaign to raise awareness and foster inclusive behaviors.



Advanced responsible supplier governance and risk management:

Conducted a Supplier ESG risk survey and applied related audits to identify, assess and monitor ethical and sustainability risks in the supply chain.

SUSTAINABILITY IN ACTION

Goal	Objectives	Strategic actions in 2025 – See CSRD Report for details
INNOVATING ADVANCED PRODUCTS AND SERVICES FOR RESOURCE EFFICIENCY 	Enhancing positive ESG impacts through R&D	We strengthened resource efficiency in product development by integrating lifecycle thinking into investment decisions, training engineers on circularity, and expanding digital solutions that improve material and energy performance.
	Maximizing the circularity impact	We strengthened our understanding of circularity by conducting a full lifecycle assessment of the R7 Peeling Line and expanding the use of MillsIGHTS software in new deliveries, enabling customers to monitor and optimize yield, energy efficiency, and material use, including side streams.
DRIVING CLIMATE ACTION 	Achieving substantial reductions in Scope 1, 2, and 3 emissions	We focused on strengthening the management of value chain emissions, as most of our emissions occur within the value chain. We advanced local sourcing and improved emissions data quality and transition planning toward our 2030 targets. At the same time, we reduced operational emissions by electrifying vehicles and by transitioning to 100% renewable electricity and heating at the Lahti site.
	Advocating engineered wood products as a solution to reduce carbon footprint of the built environment	We supported the transition toward lower-carbon construction by joining the Green Building Council and engaging customers on climate-related themes, emphasizing the role of engineered wood solutions in reducing emissions in the built environment.
FOSTERING ESG THROUGHOUT THE VALUE CHAIN 	Securing responsible procurement and ethical business practices throughout the value chain	We strengthened responsible procurement by reaching 47% supplier coverage under our Code of Conduct requirements and conducting 13 supplier audits, reinforcing ethical standards, compliance, and risk management across our value chain.
	Sharing ESG data in the value chain using a Supplier Engagement tool	We strengthened value-chain transparency by implementing a digital purchase order platform, covering 55% of Raute Finland's direct spend, and by defining ESG data requirements for suppliers, laying the groundwork for systematic ESG data collection and reporting from 2026 onwards.
SEEKING SUSTAINABLE GROWTH 	Securing ethical principles in daily activities throughout the value chain	We strengthened our ethical culture through annual Code of Conduct training, reaching 91% employee coverage, and engaged customers on responsible business expectations throughout the value chain.
	Driving efficient ESG management	We strengthened ESG governance by integrating sustainability-related risks into our enterprise risk management process and maintaining group-level Ethics oversight, while reinforcing internal capabilities through Code of Conduct and targeted anti-corruption training.
	Aligning our economic activities with EU Green deal	We supported alignment with evolving sustainability requirements by building lifecycle assessment knowledge, identifying resource- and energy-intensive processes through structured product-line workshops, expanding digital efficiency solutions, and strengthening supply chain resilience and regulatory preparedness.
ATTRACTING AND DEVELOPING DIVERSE TALENT 	Fostering an engaging culture for current and future talent	We strengthened workplace culture by rolling out the Respect in the Workplace Policy globally and promoting inclusive behaviors through an internal awareness campaign and voluntary Diversity, Equity, and Inclusion e-learning for employees.
	Supporting the wellbeing and development of talent	We supported employee wellbeing and professional growth through structured performance and development dialogues, enabling role-based skills development, equal development opportunities, and alignment of individual objectives with Raute's long-term strategic targets.
ADVOCATING HEALTH AND SAFETY WITHOUT EXCEPTIONS 	Driving zero harm	We progressed toward zero harm by implementing Golden Safety Rules and enhancing safety leadership through management training and coaching, supporting preventive risk management and consistent safety standards across production, installation, and service operations, reinforcing a consistent safety culture and clear accountability.
	Enhancing the safety of our solutions throughout their lifecycle	We strengthened the safety of our solutions by embedding safety-by-design principles into product development and implementing 13 new or improved safety features, supporting safer operation and maintenance throughout the lifecycle.

SUSTAINABILITY IN ACTION

Rauteans create our shared culture

Raute's culture has evolved significantly during the past years, driven by our renewed values, strengthened ethical foundation, and increasingly unified ways of working.

Our Code of Conduct guides our behavior globally, while joint policies and harmonized practices build consistency across teams and locations. At the same time, the introduction of our new communications tools has made our internal communications more transparent, open, and participative. Together, these developments create a shared cultural foundation that supports safety, well-being, competence development, innovation, and ultimately Raute's long-term success.

Foundations for daily work

During 2025, we have grown as a global company by harmonizing our processes and operating principles across the organization.

We made significant progress in safety by launching the global Golden Safety Rules. Safety awareness has developed positively, and the trend in safety indicators is encouraging.

We continued systematic annual trainings and implementation of our guidelines and policies. For example, the Respect in the Workplace Policy published at the end of 2024

was supported through the rollout of online trainings during 2025.

Open communication as an enabler of interaction

We continued to embed and integrate our updated values from 2024 into our principles and processes so that they genuinely guide our actions and choices in everyday work.

The most visible and audible development step in 2025 was the renewal of our internal communications. We introduced new tools, including the global Compass intranet supplemented by local pages and Viva Engage tools in every operating country. We also launched a new factory communication concept at our Lahti, Finland unit.

In 2025, we also continued the rollout of the Employee Voice concept, which promotes openness, employee participation, and collaborative development. We conduct a larger employee engagement survey every second year. The survey conducted in November 2024 led to the identification of more than 100 action plans in 2025 to develop our engagement. In addition, we introduced and conducted new People Pulse surveys to measure the progress of engagement actions, communications development and inclusion in the company. The Pulse surveys have shown



Rauteans' expertise and passion make every solution matter by driving innovation, sustainability, and performance for our customers and society.

that we are already taking the right steps, and the work continues. We also continued measuring the eNPS index, which reflected the uncertainty caused by our challenging operating environment and its impact on Rauteans. At the end of 2025, we introduced strategic enabler to clarify and strengthen Raute's Core competences ensuring successful

execution of the Raute 2028 strategy. The development work will continue in 2026.

We monitor our performance in areas such as safety, engagement, and diversity using indicators described in more detail in our sustainability report as part of our [financial reporting](#).

RAUTE AS AN INVESTMENT

Reasons to invest in Raute

1) Unique competitive position

- Raute is a specialized technology partner for the veneer-based wood products industry, with an integrated offering across key process areas and lifecycle services.
- Raute's competitive position is built on deep domain expertise and a unique capability to deliver mill-scale solutions to the market, supported by a broad installed base and the ability to combine equipment, automation, digital solutions and services into one coherent customer outcome.

2) Megatrends support demand for low-carbon and long-lasting wood products

- The popularity of wood as raw material is growing and its use in construction is increasing. Wood-based products act as long-term carbon sinks, supporting the transition toward lower-carbon building solutions across construction and other end-use applications.
- Construction is also constantly subject to new speed and efficiency requirements. New solutions based on engineered wood products are arriving to the market. Engineered wood enables durable, high-performance structures while making more efficient use of renewable forest resources.

- Safety and resource-efficiency requirements for production processes are tightening. At the same time, sustainability expectations across the value chain are increasing, from raw material utilization to energy efficiency and side stream reduction. These drivers increase demand for efficient, safe, resource-optimized and data-enabled production technologies, supporting long-term structural demand for Raute's solutions.

3) Digitalization creates opportunities for Raute's product and service development

- New digital solutions based on automation are becoming more common, enabling new types of business models and service. For Raute, digitalization strengthens customer value through better yield, quality consistency, uptime and decision-making.
- Advanced machine vision and AI-based analytics enable increasingly accurate, real-time insight into material flows, process performance and product quality across the production line.
- More precise production data supports improved raw material utilization, process optimization and transparency, while enabling scalable digital and data-driven services across the installed base throughout the asset lifecycle.

4) Large established customer base

- Our customer base has a wide range, from large consolidated forest groups to small private family businesses. Raute serves a diversified global customer base and benefits from a broad installed base of machinery and production lines.
- Lifecycle services and modernizations support customers throughout the asset lifetime and support more stable and recurring value creation alongside project-based deliveries.

5) Steady, persistent ownership

- Raute has a long-term ownership profile. A committed and stable shareholder base supports strategic continuity, long-term value creation and disciplined capital allocation across market cycles.

Dividend policy: Raute aims to pay a stable and sustainable dividend over different market conditions.

Financial targets for 2028:

250

EUR million*

Net sales including both organic and inorganic growth

40%

Services and Analyzers relative share of net sales of the Group

12%

Comparable EBITDA margin on average over cycle

>40%

Capital structure:
Equity ratio



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A blue-tinted background image showing a forest of tall, thin trees on the left and a city skyline of modern skyscrapers on the right. A large, glowing, dotted pattern of white dots curves across the center, connecting the forest and the city. The text "MAKING WOOD MATTER" is overlaid in large, white, bold, sans-serif capital letters across the middle of the image.

MAKING WOOD MATTER